

ENVIRONMENTAL QUALITY COUNCIL
TRANSPORTATION ENERGY COLLABORATIVE
FINAL REPORT

Submitted by
Department of Natural Resources and Conservation

December 20, 1994

SUMMARY

The Transportation Energy Collaborative sponsored by the Environmental Quality Council (EQC) developed recommendations on a general transportation energy policy, a goal statement for the state's alternative fuel policies and programs, and a list of policies to guide implementation of that alternative fuel policy goal.

RECOMMENDED POLICIES

General Policy

It is the transportation energy policy of the State of Montana to promote actions that encourage the conservation of energy through the environmentally responsible management and planning of efficient transportation systems. This policy further recognizes that energy conservation must be balanced with the state's interest in establishing and preserving and maintaining a safe, efficient transportation system which equitably meets the mobility needs of Montana's citizens and connects them to the nation's economy.

Goal statement of the state alternative fuel policy

The state encourages the use of alternative fuels and fuel blends to the extent that doing so produces environmental benefits to citizens of Montana.

Implementing Policies

- A. All policies and programs should have in-state benefits.
- B. Policies and programs should be coordinated among the affected agencies.
- C. The state recognizes incentives as a temporary tool to implement the alternative fuel policy. Recipients should develop a plan, including an educational component, to phase out the incentive.
 - Consider incentives to the production, retail and consumer level.
 - There should be a logical link between revenue sources and incentives.

-- Encourage the use of self-sufficient markets.

D. Any state alternative fuel program should have measurable benefits that are communicated to the public.

E. The state and local governments should be encouraged to set an example with their vehicle fleets in the use of alternative fuels and fuel blends.

F. Consistent with Policies A-E above, encourage production of alternative fuels and fuel blends.

BACKGROUND AND HISTORY

On January 28, 1994, the Environmental Quality Council authorized the formation of a Transportation Energy Collaborative. This collaborative grew out of 1) changes in federal policies on clean air, transportation and energy, 2) executive branch interest in transportation demand management, and 3) legislative interest in formulating a state energy policy.

Federal legislation

The passage of the federal Clean Air Act Amendments of 1990 (CAAA-90), the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Energy Policy Act of 1992 (EPACT) highlighted Montana's lack of a transportation energy policy. The CAAA-90 requires, as a condition for continued funding, that federally-funded highway projects conform with applicable state implementation plans (SIP) for air quality remediation in areas that do not meet federal ambient air quality standards. Many of the potential solutions for air quality problems involve increased energy efficiency. ISTEA, among other things, encourages the development of alternatives to the use of single occupancy vehicles. Use of these alternatives can lead to a more energy efficient system. ISTEA also requires the state transportation planning process consider 23 factors, including any energy use goals and objectives, connections between modal facilities, and other activities that relate directly or implicitly to increased energy efficiency. Finally, EPACT promotes the increased use of alternative fuel vehicles, for reasons of both energy security and reduction of environmental impact.

Executive branch

As part of his budget for the stripper well oil overcharge funds, Governor Racicot proposed a program dealing with transportation demand management¹ (TDM) and alternative fuels. This program grew out of suggestions submitted to the Office of Budget and Program Planning (OBPP) in October, 1992, by the Energy Division, Department of Natural Resources and Conservation (DNRC), and the Rail and Transit Division (now part of the Transportation Planning Division), Montana Department of Transportation (MDT). DNRC's proposal addressed both TDM and alternative fuels; MDT's proposal focused on TDM. At OBPP's suggestion, these two proposals were combined into one proposal and incorporated in House Bill 10. That bill established a "cooperative program between the departments to promote transportation demand management and to foster expanded use of alternative fuels."

Legislature

The 1993 Legislature adopted an Energy Policy Goal Statement for Montana (Senate Bill 225, codified as MCA Sec. 90-4-1001 et seq.). This goal statement was developed by a collaborative study group established by House Joint Resolution 31 (1991). It is now the policy of the State of Montana

"to promote energy conservation, production, and consumption of a reliable and efficient mix of energy sources that represent the least social, environmental, and economic costs and the greatest long-term benefits to Montana citizens."

The legislature recognized that the specifics of the policy would be developed incrementally. It directed the EQC to work on specific components through a "consensus process" undertaken by "a working group composed of representatives of the parties with a stake" in the issue.

The study group that developed the energy policy goal statement had initially suggested studying three energy policy development topics, including motor vehicles/transportation; however, these were postponed pending identification of necessary funding and staffing resources. Though HB10 was introduced prior to the adoption of the Energy Policy Goal Statement, several

¹Transportation demand management (TDM) strategies are programs designed to maximize the people-moving capability of the transportation system by increasing the number of persons in a vehicle, or by influencing the time of, or need to, travel. TDM strategies cover a wide range of activities, including carpooling, provision for bicyclists and pedestrians, urban design to minimize the need to travel, and telecommuting.

legislators suggested it might be the means of continuing the development of a policy on transportation energy. DNRC, in cooperation with MDT, submitted a proposal to EQC to that end. This was the proposal that EQC adopted on January 28, 1994.

Purpose of the collaborative

The purpose of the collaborative process was to develop a transportation energy policy for Montana. At a general level, this policy would provide guidance to MDT, DNRC, and any other relevant agencies, including local governments, in carrying out their responsibilities under state and federal law. More immediately, this collaborative also would make specific recommendations to MDT and the three urbanized area Metropolitan Planning Organizations to assist in their transportation planning processes.

The transportation sector accounts for about one-third of the energy consumed in Montana, and the vast majority of all the petroleum products consumed. In Montana, more money is spent getting down the road than in building the road. The amount all drivers, public and private, spend this year in Montana for gasoline and diesel will be about twice that spent on road construction, maintenance, and operation. As a related policy concern, changes in energy use, whether for reasons of increasing vehicle efficiency, government mandate, or supply disruption, affect the amount of fuel taxes collected. Since fuel taxes are one of the largest accounts in state collections, second only to income tax, changes in energy use can have major fiscal implications.

There was and is a growing appreciation that energy, transportation, and environmental issues often are different aspects of the same problem. For instance, ISTEA requires the states to at least consider state or local energy use goals, objectives, programs or requirements in their transportation planning. However, the rationale for a state transportation energy policy should go deeper than any single piece of federal legislation. And neither ISTEA nor the CAAA-90 in fact demands that states have such a policy. Instead, it was conditions in Montana itself that pointed to the need for a conscious and coherent state policy on transportation energy:

- 1) Energy supply disruptions do happen and the public has held state government responsible for mitigating their impact.
- 2) The health of the environment and the ability of the state to comply with state and federal air quality laws such as the Clean Air Act are affected significantly by the use of transportation energy.

- 3) If cost-effective transportation demand management strategies can be defined for Montana, the state may be able to avoid or delay costly highway system improvements.
- 4) The cost of transportation energy is a significant component of many goods shipped in or out of Montana.

Operation of the collaborative

The collaborative was established by inviting a wide range of Montanans. Suggestions of people to invite were made by DNRC and MDT; additional names were suggested at the first meeting of the collaborative. Over 70 people were contacted directly; others inquired or attended based on word-of-mouth. The collaborative held eight meetings between March 2 and December 7. Average attendance was 33 (high - 42, low - 24). In all, 79 people signed attendance sheets at various meetings (Appendix 1); a few more attended occasionally without signing in. Paul Sihler, EQC staff, facilitated the first meeting. A competitive solicitation for facilitators resulted in EQC hiring Gerald Mueller, Consensus Associates, to serve at all subsequent meetings.

The collaborative developed a set of ground rules (Appendix 2). These rules addressed how the collaborative was to proceed and how it would make recommendations. In particular, all participants agreed that all decisions would be made by consensus. Because the collaborative was intended to be a forum for frank and open discussions, detailed minutes of the proceedings were not kept. A list of those organizations that had members signed in attendance at meetings where consensus decisions were reached is in Appendix 3.

Following consultation with MDT, DNRC had recommended to EQC that the collaborative focus on transportation demand management and alternative fuels. Then, based on specific issues considered under the first two points, the collaborative could try to set a general policy direction on transportation energy use. However, once established, the members of the collaborative began to debate among themselves which direction to take.

In general, the first meetings dealt with the issues of how broad transportation energy policy should be, on how it differed from transportation policy, on how any energy/transportation policy should be developed, and on how the work of the collaborative should relate to MDT's efforts to prepare the long-range transportation plan required by the federal government. The collaborative eventually decided to start with general transportation energy policy. Tentative agreement was reached at the third meeting, the statement was modified slightly at the fourth meeting, and that version was reaffirmed at the eighth and last meeting.

The collaborative then agreed to take up the issue of alternative fuels, followed by transportation demand management, to the extent time allowed. Both a goal statement for the alternative fuel policy and a list of implementing policies were agreed upon. A goal statement was adopted at the seventh meeting and reaffirmed, with slight grammatical changes, at the eighth meeting. The implementing policies were adopted at the eighth meeting.

Little time was available to discuss TDM prior to the Legislature's convening. Several members thought the collaborative should be continued in some form so that TDM could be considered. MDT offered to host a conference in May to discuss technical issues surrounding TDM in Montana. The conference would be open to anybody from the collaborative who was interested. Exactly what if any state policy might be needed on TDM would be clearer then, as both DNRC and MDT would have started their TDM programs by that time.

Throughout the collaborative, MDT provided regular briefings on its work on TRANPLAN 21, the long-range plan required by ISTE. Early in the collaborative, MDT had requested that the group serve as a focus group to provide input on topics believed to be of interest to the collaborative. Some collaborative members eventually provided formal comments as individuals. However, the collaborative as a whole agreed not to attempt to develop consensus recommendations to MDT.

The collaborative adjourned following its December 7 meeting.

TRANSPORTATION ENERGY COLLABORATIVE

ABELIN, Patricia	MDT-Highway Commission
ABERCROMBIE, Gail	MT Petroleum Association
AKEY, Sue	AAA Montana
ALEXANDER, Ronna	MT Petroleum Marketers
ALLEN, Don	Montanans for NHS
ANDERS, Cindy	MDT
ANDERSON, Jerome	
BABCOCK, Tim	EPAC
BALL, Shirley	EPAC
BELL, Wally	DOT
BENNITT, Gretchen	MT Air Quality Bureau
BLACKWOOD, Clint	Travel Montana
BURCHETT, Dave	MT PSC
CARTWRIGHT, Paul	DNRC, Energy Division
CHOC, Wesley	AAA Montana
CLEARY-SCHWINDEN, Maureen	W.I.F.E.
COLE, Mark	Port of Shelby
CRICK, Linda	AAA Montana
CURRIE, Jim	MDT
DAILEY, Jerry	MT Citizens Freight Rate Association
DAVIS, Alan	DNRC
DeHAAN, Roger	Highway 93 Coalition
DELANO, John	BNRR
DYE, Marvin	MDT
FOGARTY, Bill	Port of Montana
FORSETH, T. R.	MT Highway Commission
FRANTZ, Bob	DNRC, Energy Division
GILBERT, Bob	Citizen
GLANCEY, Jim	Brimm Energy
HARRINGTON, Henry	Missoula Bike Pedestrian Advisory Board
HAVDAHL, Ben	Montana Motor Carrier Association
HUYS, Marcia	Citizens for a Better Flathead

ISLAM, Sam	Missoula Office of Community Development
JACKOLA, Chris	EPAC
JAMISON, Van	DNRC
JONES, Cedron	TAWSE, MEIC, MAC
KEIM, Pat	Burlington Northern
KRESS, Mike	Missoula MPO
LARSON, Marla	DNRC, Energy Division
LUDWIG, Alan	ISD, Telecommunications
McCARTHY, Colleen	Helena City Commission Policy & Development
McDUFF, Roy	DOT
MALEE, Con	MPC
MARTIN, Randy	DOE Denver Support Office
MILLER, Dave	Federal Highway Admin.
MUELLER, Gerald	Collaborative Facilitator
NIELSON, Linda	EPAC
NIELSON, Mary	W.I.F.E.
NOBLE, Jerry	EQC
O'DONNELL, John	MPC
OTZINGER, Sandy	MT Association of Counties
OWEN, David	MT Chamber of Commerce
PALADICHUK, Jim	MDU
PAUL, George	Montana Grain Growers
PETERSON, Vernon	MT Association of Counties
RANGEL, Ben	Great Falls MPO
RAUCH, Mary	CTEP/Gallatin Co
REICHERT, Paul	AERO
ROSE, David	DYE Mgt. Group
ROWE, Mary	Gallatin County Planner
SAINDON, Patricia	MDT-Trans. Plan Div.
SCHMIDT, Deborah	EQC
SCHWEITZER, Carl	Montana Contractors Association
SIHLER, Paul	EQC
SIMONICH, Mark	DNRC

SMITH, Ed	MT Highway Commission
STEVENS, Bob	National Association of Railroad Passengers
STRAEHL, Sandy	MDT
SWENSON, Keith G.	Designer/Planner
TERRY, Howard	Three Rivers CDC
THIELMAN, Deanna	Eagle Transit
TVEIT, Larry	State Senator, Sidney
WOSEPEKA, Moe	Rocky Mountain Trade Corridor
WHITE, Jim	Dept. of Administration ISD
WILLIAMS, John	Bicycle Federation of America
WILLIS, Gary	MPC
ZARNDT, Robert	MT Local Government Energy Office
ZUROFF, Fran	Farmer-Rancher
ZUROFF, Wanda	W.I.F.E.

~~APPENDIX C~~
GROUND RULES

**ENVIRONMENTAL QUALITY COUNCIL
TRANSPORTATION ENERGY COLLABORATIVE
August 4, 1994**

I. Purpose

- A. The purpose of the Environmental Quality Council (EQC) Transportation Energy Collaborative (Collaborative) is to:
1. Develop and present to the EQC policy statements addressing energy as it relates to transportation;
 2. Develop strategies to implement the policy statements; and
 3. Provide input regarding energy to the Montana Department of Transportation's transportation planning process, TransPlan 21.

II. Decision Rule

- A. All participants in the Collaborative are committed to seeking consensus in the development of policy statements. Commitment to seeking consensus means that individual participants are committed to:
1. Express candidly their interests or concerns in the issues considered in developing the policy statement and implementation strategies;
 2. Listen respectfully to and seek to understand the interests and concerns expressed by other members;
 3. Search creatively for opportunities to address all interests and concerns;
 4. Explore fully all issues before forming conclusions; and
 5. Forego characterizing to the media or in other public meetings the interests and concerns of other members.
- B. Seeking consensus does not mean that members are expected to compromise their values or adopt positions adverse to their interests.
- C. Any transportation energy policy goal statement or policy statement recommended to the EQC must be adopted by consensus; that is, all Collaborative participants must agree to the statement.
- D. The consensus recommendations adopted by the Collaborative shall be supported by all participants before the EQC and the legislature as a non-amendable package.
- E. Policy implementation strategies need not be supported by consensus; instead, in the final report to the EQC they will be listed together with amount of support, e.g. consensus or majority, within the Collaborative for them. Minority views will also be listed.
- F. No agreement within the Collaborative will be sought about input into TransPlan 21.

III. Participation in the Collaborative

- A. Prior to August 5, 1994 participation in the Collaborative as a consensus maker is open to anyone, except that only one representative of any given group at a time may participate in Collaborative decisions.
 - 1. Alternates may participate in Collaborative meetings; however, participants are expected to keep their alternates informed about Collaborative deliberations.
- B. After August 4, 1994, new participants may be added by consensus of the Collaborative. New participants must agree to abide by the existing ground rules.
- C. Continuity of participation is important to the Collaborative's progress, therefore:
 - 1. Participation in all meetings is required; however, with an absence excused by the Collaborative Facilitator, a participant can participate via written submittal; and
 - 2. Two unexcused absences, and one loses his or her participation in consensus-making.
- D. An individual can represent more than one organization; however, he or she has only one vote, not the number of votes corresponding to the number of organizations represented.

IV. Media Contacts

- A. Contacts with the media on behalf of the Collaborative shall be made only by its Chairman and shall be limited to describing the Collaborative's purpose, process, and issues under discussion unless otherwise directed by a consensus of the Collaborative.
- B. Individual Collaborative participants are free to respond to media inquiries if they clarify that they speak only as an individual and not on behalf of the Collaborative, except they may not attributive statements to others or characterize the positions of others.

V. Meeting Minutes

- A. The Collaborative Facilitator will draft and distribute summary minutes of meetings that capture decisions and key elements of the meeting discussions.
- B. The minutes from each meeting will be approved by the Collaborative at the next meeting.

EQC TRANSPORTATION COLLABORATIVE:
Attendees when policies were discussed

This table lists those organizations that had members signed in attendance at the meetings where the transportation energy policy (Column 1), the alternative fuel policy (Column 2), and implementing policies for the alternative fuel policy (Column 3) were considered.

	<u>1</u>	<u>2</u>	<u>3</u>
AAA Montana	x	x	x
AERO	x	x	x
BNRR	x		
Citizens for a Better Flathead	x	x	
DNRC	x	x	x
Eagle Transit	x		
EPAC	x	x	x
Gallatin County Planning	x		
Bob Gilbert	x	x	x
Great Falls MPO	x	x	x
Helena City Commission	x	x	x
ISD, DoA	x		
Missoula Bike Ped Advisory Board	x		
Missoula Office of Community Development	x	x	x
MT Association of Counties	x	x	
MT Citizens Freight Rate Association	x	x	x
MT Contractors Association	x		
MDU	x	x	x
MDT	x	x	x
MT Grain Growers	x	x	x
MT Highway Commission	x	x	x
MT Petroleum Association	x	x	x
MPC	x	x	x
Montanans for NHS	x	x	x
National Association of Railroad Passengers	x	x	
Port of Shelby	x		
Keith Swenson	x		
TAWSE, MEIC, MAC	x	x	x
Three Rivers CDC	x		
Travel Montana, DoC	x		
WIFE	x	x	x

- 1 - General policy: Tentatively adopted May 11, reaffirmed June 28 with minor changes, reaffirmed again December 7.
- 2 - Alternative fuels policy: Tentatively adopted October 20, reaffirmed with minor changes December 7.
- 3 - Implementing policies: Affirmed December 7. (A preliminary list was discussed October 20.)